

## AGENDA



Thursday, July 26, 2007

**Austin Energy  
RECOMMENDATION FOR COUNCIL ACTION****Item No. 5**

---

**Subject:** Approve a resolution adopting, subject to qualification, federal standards relating to (1) net metering, (2) diversity of fuel sources, (3) time-based metering and communications, and (4) interconnection of on-site distributed generation, and declining to adopt federal standards relating to fossil fuel generation efficiency.

**For More Information:** Andy Perny, Assistant City Attorney: 322-6277

**Boards and Commission Action:** Recommended by the Electric Utility Commission.

---

The federal Energy Policy Act of 2005 (EPAAct) amended the Public Utility Regulatory Policies Act of 1978 (PURPA) to require state utility commissions and certain public utilities such as Austin Energy to consider implementing standards governing net metering, diversity of fuel sources, fossil fuel generation efficiency, time-based metering, and interconnection of distributed generation.

Implementation of the standards is optional for the City of Austin. Nonetheless, EPAAct requires affected municipal electric systems to hold one or more public hearings and to issue a written decision regarding each standard.

Five teams of Austin Energy staff began work in January 2007 to research Austin Energy's current standards and initiatives in these areas and to make written recommendations to the Electric Utility Commission regarding the federal standards. The results were issued as reports and recommendations to the Electric Utility Commission.

On May 14 and June 18, 2007, the Electric Utility Commission held public hearings on the EPAAct standards. Notice of the hearings was published twice by newspaper, and information was made available on Austin Energy's website. Direct notice was given to known stakeholders. On June 18, 2007, as a result of the hearings, the EUC unanimously resolved to forward the proposed resolution to Council and recommend its adoption.

It is the recommendation of the EUC and Austin Energy that the City Council adopt the federal standards contained in EPAAct subject to the modifications stated in the proposed resolution, and that Council decline to adopt those dealing with fossil fuel generation efficiency. Austin Energy and the EUC believe that the utility's existing program with respect to fossil fuel efficiency either meet or exceed the proposed federal standard.